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Wednesday, 10 February 2010, 22:10

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SIPDIS
ENERGY FOR ALOCKWOOD AND LEINSTEIN, DOE/EIA FOR MCLINE
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TREASURY FOR MKACZMAREK
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NSC FOR DRESTREPO AND LROSSELLO
OPIC FOR BSIMONEN-MORENO
AMEMBASSY BRIDGETOWN PASS TO AMEMBASSY GRENADA
AMEMBASSY OTTAWA PASS TO AMCONSUL QUEBEC
AMEMBASSY BRASILIA PASS TO AMCONSUL RECIFE
EO 12958 DECL: 2020/02/10
TAGS EPET, EINV, ENRG, ECON, IT, VE
SUBJECT: Venezuela: Italian Ambassador Briefs on Eni Oil Deals
CLASSIFIED BY: Darnall Steuart, Economic Counselor, DOS, Econ; REASON: 1.4(B), (D)
1. (C) SUMMARY: Italy's Eni stands to become possibly the second largest international oil company operating in Venezuela as a result of deals
2. (C) At Italian Ambassador Luigi Maccotta's (protect) request, the Ambassador met him February 4 to discuss the January 28 visit of Eni XXXX
B7 A memorandum of understanding (MOU) for the development of the Junin 5 extra heavy oil block in the Orinoco heavy oil belt (and the creation
o The mixed company expects to produce approximately 240,000 b/d of extra heavy crude (8.5B0 API).
B7 An MOU to create a mixed company to refine production from Junin 5 and the PetroMonagas joint venture (a 60-40 split mixed company involving
B7 An MOU for the development of a 1,000 MW combined cycle power plant at the CIGMA complex in Guiria.
B7 An MOU on the transfer of proprietary Eni heavy oil production technology.
B7 Maccotta disputed press reports that Eni had paid a \$646 million bonus to PDVSA, saying that Eni had agreed to a \$300 million bonus, which w
Maccotta speculated that once these projects move forward, with the exception of Chevron, Eni will be the international oil company with the ls
3. (C) Ambassador Maccotta shared that the XXXXXXXXXXXX trip was originally scheduled for XXXXXXXXXXXX, but then "Honduras happened" and Italy
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Venezuelan-Italian Mixed Commission
4. (C) Maccotta also previewed Italy's agenda for the May Venezuela-Italian Mixed Commission meetings. Of the 76 oil services companies locate
5. (C) The Ambassadors also shared current perspectives on the economic-political situation of Venezuela and U.S.-Venezuelan bilateral relatic
6. (C) COMMENT: It is unclear what bonus Eni really paid PDVSA, but it is interesting that regardless of the figure, PDVSA likely will not see